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IN THE HOUSE OF REPRESENTATIVES.

FEBRUARY 11, 1867.

Read twice, committed to the Committee of the Whole House on the state of the Union, ordered to be printed, and made a special order for Wednesday evening, February 13, and from day to day till disposed of.

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Mr. MORRILL, from the Committee of Ways and Means, reported the following bill :

**A BILL**

To amend existing laws relating to internal revenue.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That all acts required in relation to the assessment, return,  
4       collection, and payment of the income tax, special tax, and  
5       other annual taxes now by law required in the month of May,  
6       shall hereafter be required on the corresponding days in the  
7       month of March in each year; all acts required in the month  
8       of June, in relation to the collection, return, and payment of  
9       said taxes, shall hereafter be required on the corresponding  
10      days of the month of April of each year.

1       SEC. 2. *And be it further enacted,* That apotheca-  
2       ries, butchers, confectioners, and plumbers and gas-fitters,  
3       whose annual sales exceed twenty-five thousand dollars, shall

4 pay, in addition to the special tax now required by law, one  
5 dollar for every thousand dollars in excess of said twenty-five  
6 thousand dollars; and the taxes on such excess shall be  
7 assessed and paid in the manner provided in the case of  
8 wholesale dealers.

1       SEC. 3. *And be it further enacted,* That in all suits or  
2 proceedings arising under the internal revenue laws, to which  
3 the United States is party, and in all suits or proceedings  
4 against a collector or other officer of the internal revenue,  
5 wherein a district attorney shall appear for the purpose of  
6 prosecuting or defending, it shall be the duty of said attorney  
7 immediately at the end of every term of the court in which  
8 said suit or proceeding is or shall be instituted, to forward to  
9 the Commissioner of Internal Revenue a full and particular  
10 statement of the condition of all such suits or proceedings  
11 appearing upon the docket of said court: *Provided,* That  
12 upon the institution of any such suit or proceeding it shall be  
13 the duty of said attorney to report to said commissioner the  
14 full particulars relating to such suit or proceeding; and it  
15 shall be the duty of the Commissioner of Internal Revenue,  
16 (with the approval of the Secretary of the Treasury,) to  
17 establish such rules and regulations, not inconsistent with law,  
18 for the observance of revenue officers, district attorneys and  
19 marshals, respecting suits arising under the internal revenue  
20 laws, in which the United States is a party as may be deemed

21 necessary for the just responsibility of those officers and the  
22 prompt collection of all revenues and debts due and accruing  
23 to the United States under such laws.

1       SEC. 4. *And be it further enacted*, That the Commis-  
2 sioner of Internal Revenue shall have charge of all lands and  
3 other property which have been or shall be assigned, set off,  
4 or conveyed, by purchase or otherwise, to the United States,  
5 in payment of debts arising under the laws relating to internal  
6 revenue, and of all trusts created for the use of the United  
7 States, in payment of such debts due them; and, with the  
8 approval of the Secretary of the Treasury, may sell and dispose  
9 of lands assigned or set off to the United States in payment  
10 of such debts, or being vested in them by mortgage or other  
11 security, for the payment of such debts; and in cases where  
12 real estate has already become the property of the United  
13 States by conveyance or otherwise, in payment of or as  
14 security for a debt arising under the laws relating to internal  
15 revenue, and such debt shall have been paid, together with the  
16 interest thereon, to the United States, within two years from  
17 the date of the acquisition of such real estate, it shall be law-  
18 ful for the Commissioner of Internal Revenue, with the  
19 approval of the Secretary of the Treasury, to release by deed,  
20 or otherwise convey, such real estate to the debtor from whom  
21 it was taken, or to his heirs or other legal representatives.

1       SEC. 5. *And be it further enacted*, That if it shall at

2 any time be ascertained that the manufacturer of any article  
3 upon which a tax is required to be paid by means of a stamp  
4 shall have sold or removed for sale any such articles without  
5 the use of the proper stamp, in addition to the penalties now  
6 imposed by law for such sale or removal, it shall be the duty  
7 of the proper assessor or assistant assessor, upon such inform-  
8 ation as he can obtain, to assume and estimate the amount of  
9 the tax which has been omitted to be paid, and to make an  
10 assessment therefor, and certify the same to the collector; and  
11 it shall also be the duty of the proper assessor or assistant  
12 assessor in like manner to assume and estimate the amount of  
13 taxes which may be due from any manufacturer of distilled  
14 spirits on account of any spirits manufactured by him upon  
15 which the tax has not been paid, and to make the proper  
16 assessment therefor, and the subsequent proceedings for  
17 collection shall be in all respects like those for the collection  
18 of taxes upon manufactures and productions.

1       SEC. 6. *And be it further enacted*, That it shall be law-  
2 ful for the Commissioner of Internal Revenue, whenever he  
3 shall deem it expedient, to designate one or more of the  
4 assistant assessors in any collection district to make assess-  
5 ments in any part of such collection district for all such taxes  
6 as may be due upon any specified objects of taxation, and in  
7 such case it shall be the duty of the other assistant assessors  
8 of such collection district to report to the assistant assessor

9 thus specially designated all matters which may come to their  
10 knowledge relative to any assessments to be made by him :  
11 *Provided*, That whenever two or more districts or parts of  
12 districts are embraced within one county it may be lawful for  
13 such assistant assessor or assessors to make assessment any-  
14 where within such county upon such specified objects of tax-  
15 ation as he may be by said commissioner required : *Provided*  
16 *further*, That such assessment shall be returned to the assessor  
17 of the district in which such taxes are payable.

1       SEC. 7. *And be it further enacted*, That the Com-  
2 missioner of Internal Revenue, with the approval of the  
3 Secretary of the Treasury, is hereby authorized to pay such  
4 sums, not exceeding in the aggregate the amount appropriated  
5 therefor, as may in their judgment be deemed necessary for  
6 detecting and bringing to trial and punishment persons guilty  
7 of violating the internal revenue laws, or conniving at the  
8 same in cases where such expenses are not otherwise pro-  
9 vided by law. And for this purpose there is hereby appro-  
10 priated one hundred thousand dollars, or so much thereof as  
11 may be necessary, out of any money in the treasury not  
12 otherwise appropriated.

1       SEC. 8. *And be it further enacted*, That hereafter for  
2 any failure to pay any internal revenue tax at the time and  
3 in the manner required by law, where such failure creates a  
4 liability to pay a penalty of ten per centum additional upon

5 the amount of tax so due and unpaid, the person or persons  
 6 so failing or neglecting to pay said tax, instead of ten per  
 7 centum as aforesaid, shall pay a penalty of five per centum,  
 8 together with interest at the rate of one per centum per  
 9 month upon said tax from the time the same became due,  
 10 but no interest for any fraction of a month shall be demanded.

1       SEC. 9. *And be it further enacted*, That the act entitled  
 2 “An act to provide internal revenue to support the govern-  
 3 ment, to pay interest on the public debt, and for other pur-  
 4 poses,” approved June thirty, eighteen hundred and sixty-  
 5 four, as amended by the act approved July thirteen, eighteen  
 6 hundred and sixty-six, be, and the same is hereby, amended  
 7 as follows, viz :

8       That section twenty-two be amended by striking out,  
 9 after the words, “assistant assessor,” and before the word  
 10 “actually,” the words “four dollars for every day,” and insert-  
 11 ing in lieu thereof the words “five dollars for every day;”  
 12 and, further, by striking out the following words : “And  
 13 assistant assessors may be allowed, in the settlement of their  
 14 accounts, such sum as the Commissioner of Internal Revenue  
 15 shall approve, not exceeding three hundred dollars per annum,  
 16 for office rent ; but no account for such office rent shall be  
 17 allowed or paid until it shall have been verified in such man-  
 18 ner as the Commissioner of Internal Revenue may require,  
 19 and shall have been audited and approved by the proper

20 officers of the Treasury Department ; and assistant assessors,  
21 when employed outside of the town in which they reside, in  
22 addition to the compensation which they are now allowed by  
23 law, shall, during such time so employed, receive one dollar  
24 per day." This amendment shall take effect upon compensa-  
25 tion for the month of March, eighteen hundred and sixty-  
26 seven, and thereafter.

27 That section seventy-three be amended by striking out  
28 all after the enacting clause, and inserting in lieu thereof the  
29 following: That any person who shall exercise or carry on  
30 any trade, business, or profession, or do any act hereinafter  
31 mentioned, for the exercising, carrying on, or doing of which  
32 a special tax is imposed by law, without payment thereof, as  
33 in that behalf required, shall, for every such offence, be-  
34 sides being liable to the payment of the tax, be subject to a  
35 fine of not less than ten nor more than five hundred dollars.  
36 And if such person shall be a manufacturer of tobacco, snuff,  
37 or cigars, or a distiller or a rectifier, or a wholesale or retail  
38 dealer in liquor, he shall be further liable to imprisonment for  
39 a term not less than sixty days, and not exceeding two years.

40 That section seventy-nine be amended as follows: In  
41 paragraph four, by striking out the following words: "In  
42 quantities of more than three gallons at one and the same  
43 time to the same purchaser, or." In paragraph five, by strik-  
44 ing out the following words: "In quantities of three gallons

45 or less." In paragraph sixteen, strike out "one hundred dol-  
 46 lars," and insert in lieu thereof "five hundred dollars." In  
 47 paragraph thirty-one, by adding thereto the following:  
 48 "*Provided*, That no special tax shall be required of any per-  
 49 son for the manufacture of butter and cheese." In paragraph  
 50 thirty-two, by inserting after the word "garden" and before  
 51 the word "who," the words "or travelling on foot and ped-  
 52 dling fruits, vegetables, pies, cakes, and confectionery."

53 That section ninety-four be amended as follows:

54 Strike out, in the paragraph relating to gas, the words  
 55 "and until the thirtieth day of April, eighteen hundred and  
 56 sixty-seven;"

57 Also, strike out the paragraph commencing "On oil,  
 58 naphtha, benzine, benzole," down to the words "ten cents per  
 59 gallon," inclusive;

60 Also, the paragraphs relating to "sugar and sugar re-  
 61 finers," and insert in lieu thereof the words:

62 "On all sugars produced from the sugar cane, and not  
 63 from sorghum or imphee, other than those produced by the  
 64 refiner, a tax of one cent per pound;

65 "On refined sugars, and on the products of sugar re-  
 66 fineries, not including sirup or molasses, a tax of two per  
 67 centum ad valorem: *Provided*, That every person shall be  
 68 regarded as a sugar refiner, and pay the taxes required by  
 69 law, whose business it is to advance the quality and value of



70 sugar upon which a tax or duty has been paid, by melting  
 71 and recrystallization, or by liquoring, claying, or other wash-  
 72 ing process, or by any other chemical or mechanical means,  
 73 or who shall by boiling or other process advance the quality  
 74 or value of molasses, concentrated molasses, or melado, upon  
 75 which a tax or duty has been paid;"

76 Also, in the paragraph relating to wood screws, strike  
 77 out the word "ten" and insert "five;"

78 Also strike out the paragraph relating to "gunpowder,"  
 79 and insert in lieu thereof the following :

80 "On gunpowder, canister, five cents per pound; sport-  
 81 ing, in kegs, one cent per pound; blasting, in kegs or casks,  
 82 one-half cent per pound ;"

83 Also, in the paragraph relating to "copper and brass  
 84 tubes," strike out the words "five per centum ad valorem,"  
 85 and insert in lieu thereof the words, "one-fourth of one  
 86 cent per pound ;"

87 Also, strike out all from the words "cigarettes or small  
 88 cigars," in the first paragraph relating to cigars, down to the  
 89 words "twenty per centum ad valorem on the market value  
 90 thereof," in the last paragraph relating to cigars, inclusive,  
 91 and insert, in lieu thereof, the following:

92 "On cigarettes, cigars, and cheroots of all descriptions,  
 93 made of tobacco or any substitute therefor, the market value  
 94 of which, including the tax, is not over eight dollars per

95 thousand, a tax of two dollars per thousand; when exceeding  
96 eight dollars per thousand, in market value, including the tax,  
97 a tax of eight dollars per thousand."

98 That section ninety-four be further amended so that in  
99 lieu of the taxes now provided by law upon the goods,  
100 wares, and merchandise hereinafter mentioned, which shall  
101 be produced and sold, or be manufactured or made and sold,  
102 or be consumed or used by the manufacturer or producer  
103 thereof, or removed for consumption or use, or for delivery  
104 to others than agents of the manufacturer or producer  
105 within the United States or Territories thereof, there shall  
106 be assessed, collected, and paid the following taxes, to be  
107 paid by the producer or manufacturer thereof, that is to say:

108 On boots and shoes, made wholly or in part of India-  
109 rubber, two per centum ad valorem;

110 On brandy made of grapes, fifty cents per gallon;

111 On hats, caps, bonnets, and hoods of all descriptions,  
112 two per centum ad valorem;

113 On hoop-skirts, two per centum ad valorem;

114 On manufactures of wool, two and a half per centum  
115 ad valorem.

116 That section one hundred and three be amended by  
117 striking out the words "until the thirtieth day of April,  
118 eighteen hundred and sixty-seven."

119 That schedule B, in relation to stamp duties, named in

120 section one hundred and fifty-one, be amended by inserting  
 121 after the paragraph relating to conveyance, and before that  
 122 relating to entry the following words: "Where any deed,  
 123 instrument, or writing executed to convey property which  
 124 is incumbered, the amount of such incumbrance shall not be  
 125 included as a part of the sum upon which the value of the  
 126 stamp is to be estimated. No conveyance merely quieting  
 127 title, or discharging any incumbrance, or merely confirma-  
 128 tory of pre-existing title given without actual consideration,  
 129 whether given before or after the passage of this act, shall  
 130 be treated as invalid for want of a revenue stamp."

131 Also, by striking out of said schedule all after the  
 132 words "legal documents," and inserting in lieu thereof the  
 133 following: *Provided, further*, That the stamp duties im-  
 134 posed by the foregoing schedule (B) on manifests, bills of  
 135 lading, and passage tickets, shall not apply to steamboats or  
 136 vessels plying between ports of the United States and ports  
 137 of British North America: *And provided, further*, That all  
 138 affidavits shall be exempt from stamp duty.

1 SEC. 10. *And be it further enacted*, That the act amenda-  
 2 tory to the act entitled "An act to provide internal revenue  
 3 to support the government, to pay interest on the public debt,  
 4 and for other purposes," approved June thirty, eighteen hun-  
 5 dred and sixty-four, approved July thirteen, eighteen hun-  
 6 dred and sixty-six, be amended as follows, viz:

7        That section ten be amended by adding after the word  
8    “pupils” in the sixth paragraph of said section the words,  
9    “but not including distilled spirits, tobacco, snuff, and cigars;”  
10   by adding to the paragraph relating to “iron bridges and cast-  
11   ings for iron bridges” the words “thimble skeins and pipe  
12   boxes made of iron.”

13        Also, by striking out in the paragraph relating to monu-  
14   ments, after the word “monuments,” where it first occurs,  
15   the words “of stone.”

16        That section eighteen be amended by adding thereto the  
17   following: “*Provided*, That the exemption herein shall not  
18   apply to tobacco, snuff, and cigars manufactured, or spirits  
19   distilled, or petroleum refined, either in or for such schools  
20   and colleges.”

21        That section ninety be amended by inserting after the  
22   word “cigars,” and before the first proviso in said section, the  
23   words “and all proceedings relating to forfeiture and sale of  
24   distilled spirits shall apply to tobacco, snuff, and cigars.”

25        Also, in the second proviso after the words “that man-  
26   ufactured tobacco” insert “or,” and after the word “snuff”  
27   immediately following, strike out the words “or cigars, whether  
28   of domestic manufacture or imported.” Also in the latter  
29   part of said proviso, after the word “tobacco,” wherever it  
30   occurs, insert the word “or,” and strike out the words “or  
31   cigars,” wherever they occur.

1        SEC. 11. *And be it further enacted*, That from and  
2 after the passage of this act the articles and products herein-  
3 after enumerated shall be exempt from internal tax, namely :

4        Alcoholic and ethereal vegetable extracts used solely for  
5 medicinal purposes ;

6        Bale rope, seines, twine, and lines of all kinds ;

7        Canned and preserved meats not including shell fish ;

8        Carpet bag and caba frames ;

9        Casks, barrels, tanks, and kitts made of wood, including  
10 cooperage of all kinds, and packing boxes, and match boxes,  
11 whether made of wood or other materials ; and on match  
12 boxes heretofore made on which a tax has not been paid ;

13       Castings of iron, copper, or brass used for machinery,  
14 cars or scales, and castings used for any other article upon  
15 which a tax is assessed and paid on the article of which the  
16 casting is a part ;

17       Cast-iron hollow ware, and cast-iron hollow ware tinned,  
18 enamelled, japanned, or galvanized ;

19       Clock trimmings, namely : Clock work, clock pillars,  
20 sash fastenings for clocks, winding keys, verges and pendulum  
21 rods ;

22       Clothing made from materials that have been assessed  
23 and paid a tax, not including articles woven on frames or  
24 knitted ;

25       Coffee mills and coffee grinders and roasters ;

- 26 Copper bottoms for articles used for domestic and  
 27 culinary purposes ;
- 28 Doors, window sash, blinds, frames, and sills of what-  
 29 ever material ;
- 30 Drain, gas, and water-pipe made of wood, iron, cement  
 31 or any other material ;
- 32 Frames and handles for saws and buck-saws ;
- 33 Glue and gelatine, of all descriptions, in the solid state ;
- 34 Glue and cement made wholly or in part of glue in the  
 35 liquid state ;
- 36 Horse-rakes and tedders ;
- 37 Horse-blankets, on which a tax has been once assessed  
 38 and paid, when lined, trimmed, or made up and fitted for use ;
- 39 Leather of all descriptions, and goat, calf, kid, sheep,  
 40 horse, hog, and dog skins, tanned or partially tanned, curried,  
 41 finished or in the rough ;
- 42 Legs of piano-fortes, melodions and billiard tables ;
- 43 Licorice and licorice paste ;
- 44 Manufactures of jute ;
- 45 Molasses, concentrated molasses or melado, sirup of mo-  
 46 lasses or sugar cane juice, and cistern bottoms ;
- 47 Oil naphtha, benzine, benzole, or gasoline, marking more  
 48 than fifty-nine degrees Baume's hydrometer, the product of  
 49 the distillation, re-distillation, or refining of crude petroleum, or

50 of crude oil produced by a single distillation of coal, shale,  
 51 peat, asphaltum, or other bituminous substances ;

52 Palm-leaf and straw, bleached, split, prepared, or ad-  
 53 vanced by being braided or woven, but not made up into hats,  
 54 bonnets, or hoods ;

55 Pottery-ware of all descriptions, including stone, earthen,  
 56 brown-earthen, and common gray-stone ware ;

57 Rock and root-diggers or excavators ;

58 Salt ;

59 Scales, pumps, garden engines, and hydraulic rams ;

60 School-room seats and desks, blackboards, and globes of  
 61 all kinds ;

62 Sleds, wheelbarrows, and hand-carts ;

63 Soles and heel-taps made of India rubber or of India  
 64 rubber and other materials ;

65 Steel of all descriptions, whether made from muck-bar,  
 66 blooms, slabs, loops, or otherwise ;

67 Steam locomotives and marine engines, including boilers ;

68 Straw or binder's board and binder's cloth ;

69 Tags, merchandise and direction of cloth, paper or metal,  
 70 whether blank or printed ;

71 Tinware for domestic and culinary purposes ;

72 Ultra-marine blue ;

73 Varnish ;

74 Wagons, carts, and drays made to be used for farming,

75 freighting, or lumber purposes, and valued at less than two  
 76 hundred dollars ;

77 Washing, mangling, and clothes-wringing machines,  
 78 spinning-wheels, hand-reels, and hand-loom.

1 SEC. 12. *And be it further enacted,* That the act  
 2 entitled "An act to provide internal revenue to support the  
 3 government, to pay interest on the public debt, and for other  
 4 purposes," approved June thirty, eighteen hundred and sixty-  
 5 four, be amended as follows, namely:

6 INCOME.

7 That section one hundred and sixteen be amended by  
 8 striking out all after the enacting clause and inserting, in  
 9 lieu thereof, as follows: That there shall be levied, col-  
 10 lected, and paid annually upon the gains, profits, and  
 11 income of every person residing in the United States, or of  
 12 any citizen of the United States residing abroad, whether  
 13 derived from any kind of property, rents, interest, dividends,  
 14 or salaries, or from any profession, trade employment, or  
 15 vocation, carried on in the United States or elsewhere, or  
 16 from any other source whatever, a tax of five per cen-  
 17 tum on the amount so derived over one thousand dollars,  
 18 and a like tax shall be levied, collected, and paid an-  
 19 nually upon the gains, profits, and income of every busi-  
 20 ness, trade, or profession carried on in the United States  
 21 by persons residing without the United States, and not citi-



22 zens thereof. And the tax herein provided for shall be as-  
23 sessed, collected, and paid upon the gains, profits, and income  
24 for the year ending the thirty-first day of December next pre-  
25 ceding the time for levying, collecting, and paying said tax.

26 That section one hundred and seventeen be amended  
27 by striking out all after the enacting clause and inserting,  
28 in lieu thereof, the following: That, in estimating the gains,  
29 profits, and income of any person, there shall be included all  
30 income derived from interest upon notes, bonds, and other  
31 securities of the United States; profits realized within the  
32 year from sales of real estate purchased within the year or  
33 within two years previous to the year for which income is  
34 estimated; interest received or accrued upon all notes,  
35 bonds, and mortgages, or other forms of indebtedness  
36 bearing interest, whether paid or not, if good and collect-  
37 able, less the interest which has become due from said  
38 person during the year; the amount of all premium on  
39 gold and coupons; the amount of sales of live stock, sugar,  
40 wool, butter, cheese, pork, beef, mutton, or other meats,  
41 hay and grain, or other vegetable or other productions,  
42 being the growth or produce of the estate of such person,  
43 not including any part thereof consumed directly by the  
44 family; all other gains, profits, and income derived from  
45 any source whatever; and the share of any person of the  
46 gains and profits of all companies, whether incorporated or

47 partnership, who would be entitled to the same, if divided,  
48 whether divided or otherwise, except the amount of income  
49 received from institutions or corporations whose officers, as  
50 required by law, withhold a per centum of the dividends made  
51 by such institutions, and pay the same to the Commissioner  
52 of Internal Revenue or other officer authorized to receive the  
53 same; and except that portion of the salary or pay received  
54 for services in the civil, military, naval, or other service of  
55 the United States, including senators, representatives, and  
56 delegates in Congress, from which the tax has been de-  
57 ducted. And in addition to one thousand dollars exempt from  
58 income tax, as hereinbefore provided, all national, State,  
59 county, and municipal taxes paid within the year shall be de-  
60 ducted from the gains, profits, or income of the person who  
61 has actually paid the same, whether such person be owner,  
62 tenant, or mortgagor; losses actually sustained during the  
63 year arising from fires, shipwreck, or incurred in trade, and  
64 debts ascertained to be worthless, but excluding all estimated  
65 depreciation of values and losses within the year on sales of  
66 real estate purchased two years previous to the year for  
67 which income is estimated; the amount actually paid for labor  
68 or interest by any person who rents lands or hires labor to  
69 cultivate land, or who conducts any other business from which  
70 income is actually derived; the amount paid out for usual  
71 or ordinary repairs: *Provided*, That no deduction shall be

72 made for any amount paid out for new buildings, perma-  
73 nent improvements, or betterments, made to increase the  
74 value of any property or estate: *And provided, further,*  
75 That only one deduction of one thousand dollars shall be  
76 made from the aggregate income of all the members of any  
77 family, composed of one or both parents, and one or more  
78 minor children, or husband and wife; that guardians shall  
79 be allowed to make such deduction in favor of each and  
80 every ward, except that in case where two or more wards  
81 are comprised in one family, and have joint property interest,  
82 only one deduction shall be made in their favor: *And*  
83 *provided,* That in cases where the salary or other compensa-  
84 tion paid to any person in the employment or service of  
85 the United States shall not exceed the rate of one thou-  
86 sand dollars per annum, or shall be by fees, or uncertain  
87 or irregular in the amount or in the time during which  
88 the same shall have accrued or been earned, such salary or  
89 other compensation shall be included in estimating the  
90 annual gains, profits, or income of the person to whom the  
91 same shall have been paid, in such manner as the Commis-  
92 sioner of Internal Revenue, under the direction of the Sec-  
93 retary of the Treasury, may prescribe.

94 That section one hundred and eighteen be amended  
95 by striking out all after the enacting clause and inserting,  
96 in lieu thereof, the following: That it shall be the duty of

97 all persons of lawful age to make and render a list or return,  
98 in such form and manner as may be prescribed by the Com-  
99 missioner of Internal Revenue, to the assistant assessor of  
100 the district in which they reside, of the amount of their  
101 income, gains, and profits, as aforesaid; and all guardians  
102 and trustees, or any person acting in any other fiduciary  
103 capacity, shall make and render a list or return, as afore-  
104 said, to the assistant assessor of the district in which such  
105 guardian or trustee resides, of the amount of income, gains,  
106 and profits of any minor or person for whom they act as  
107 guardian or trustee; and the assistant assessor shall require  
108 every list or return to be verified by the oath or affirmation  
109 of the party rendering it, and may increase the amount of  
110 any list or return, if he has reason to believe that the same  
111 is understated; and in case any person, guardian, or trustee  
112 shall neglect or refuse to make and render such list or  
113 return, or shall render a false or fraudulent list or return, it  
114 shall be the duty of the assessor or the assistant assessor to  
115 make such list, according to the best information he can  
116 obtain, by the examination of such person, and his books  
117 and accounts, or any other evidence, and to add fifty  
118 per centum as a penalty to the amount of the tax due  
119 on such list in all cases of wilful neglect or refusal to make  
120 and render a list or return, and, in all cases of a false  
121 or fraudulent list or return having been rendered, to add

122 one hundred per centum, as a penalty, to the amount of  
123 tax ascertained to be due, the tax and the additions thereto  
124 as penalty to be assessed and collected in the manner pro-  
125 vided for in other cases of wilful neglect or refusal to render  
126 a list or return, or of rendering a false and fraudulent return:  
127 *Provided*, That any party, in his or her own behalf, or as  
128 guardian or trustee, shall be permitted to declare, under  
129 oath or affirmation, the form and manner of which shall be  
130 prescribed by the Commissioner of Internal Revenue, that  
131 he or she, or his or her ward or beneficiary, was not pos-  
132 sessed of an income of one thousand dollars, liable to be  
133 assessed according to the provisions of this act; or may  
134 declare that he or she has been assessed and paid an income  
135 tax elsewhere in the same year, under authority of the  
136 United States, upon his or her income, gains, and profits, as  
137 prescribed by law; and if the assistant assessor shall be  
138 satisfied of the truth of the declaration, shall thereupon be  
139 exempt from income tax in the said district; or if the list or  
140 return of any party shall have been increased by the as-  
141 sistant assessor, such party may exhibit his books and  
142 accounts, and be permitted to prove and declare, under  
143 oath or affirmation, the amount of annual income liable to  
144 be assessed; but such oaths and evidence shall not be con-  
145 sidered as conclusive of the facts, and no deductions claimed  
146 in such cases shall be made or allowed until approved by

147 the assistant assessor. Any person feeling aggrieved by  
148 the decision of the assistant assessor in such cases may  
149 appeal to the assessor of the district, and his decision  
150 thereon, unless reversed by the Commissioner of Internal  
151 Revenue, shall be final, and the form, time, and manner of  
152 proceedings shall be subject to rules and regulations to  
153 be prescribed by the Commissioner of Internal Revenue:  
154 *Provided*, That no penalty shall be assessed upon any per-  
155 son for such neglect or refusal, or for making or rendering  
156 a false or fraudulent return, except after reasonable notice  
157 of the time and place of hearing, to be regulated by the  
158 Commissioner of Internal Revenue, so as to give the person  
159 charged an opportunity to be heard, and subject to the  
160 right of giving bond and staying proceedings for the pur-  
161 pose of a hearing in a circuit or district court as provided in  
162 the fourteenth section of this act.

163 That section one hundred and nineteen be amended by  
164 striking out all after the enacting clause and inserting, in  
165 lieu thereof, the following: That the taxes on incomes  
166 herein imposed shall be levied on the first day of March, and  
167 be due and payable on or before the thirtieth day of April,  
168 in each year, until and including the year eighteen hundred  
169 and seventy, and no longer; and to any sum or sums an-  
170 nually due and unpaid after the thirtieth of April, as afore-  
171 said, and for ten days after notice and demand thereof by

172 the collector, there shall be levied in addition thereto the  
173 sum of five per centum on the amount of taxes unpaid, and  
174 interest at the rate of one per centum per month upon said  
175 tax from the time the same became due, as a penalty, except  
176 from the estates of deceased or insolvent persons.

177 That section one hundred and twenty be amended by  
178 striking out the proviso to said section and inserting, in lieu  
179 thereof, the following: *Provided*, That the tax upon the  
180 dividends of life insurance companies shall not be deemed  
181 due until such dividends are payable; nor shall the portion  
182 of premiums returned by mutual life insurance companies to  
183 their policy holders, nor the annual or semi-annual interest  
184 allowed or paid to the depositors in saving banks, or savings  
185 institutions, be considered as dividends.

186 That section one hundred and twenty-three be amended  
187 by striking out all after the enacting clause and inserting,  
188 in lieu thereof, the following: That there shall be levied,  
189 collected, and paid on all salaries of officers, or payments  
190 for services to persons in the civil, military, naval, or other  
191 employment or service of the United States, including sen-  
192 ators and representatives and delegates in Congress, when  
193 exceeding the rate of one thousand dollars per annum, a  
194 tax of five per centum on the excess above the said one  
195 thousand dollars; and it shall be the duty of all paymasters  
196 and all disbursing officers, under the government of the

197 United States, or persons in the employ thereof, when  
198 making any payment to any officers or persons as afore-  
199 said, or upon settling and adjusting the accounts of such  
200 officers or persons, to deduct and withhold the afore-  
201 said tax of five per centum, and they shall, at the  
202 same time, make a certificate stating the name of the  
203 officer or person from whom such deduction was made,  
204 and the amount thereof, which shall be transmitted  
205 to the office of the Commissioner of Internal Revenue,  
206 and entered as part of the internal taxes; and the  
207 pay-roll, receipts, or account of officers or persons pay-  
208 ing such tax as aforesaid, shall be made to exhibit the fact  
209 of such payment. And it shall be the duty of the several  
210 Auditors of the Treasury Department, when auditing the ac-  
211 counts of any paymaster or disbursing officer, or any officer  
212 withholding his salary from moneys received by him, or  
213 when settling or adjusting the accounts of any such officer,  
214 to require evidence that the taxes mentioned in this section  
215 have been deducted and paid over to the Commissioner of  
216 Internal Revenue, or other officer authorized to receive the  
217 same: *Provided*, That payments of prize money shall be  
218 regarded as income from salaries, and the duty thereon shall  
219 be adjusted and collected in like manner: *Provided further*,  
220 That this section shall not apply to payments made to  
221 mechanics or laborers employed upon public works.



222 That section one hundred and twenty-four be amended  
223 by adding thereto the following additional proviso: *Pro-*  
224 *vided further*, That any legacy or share of personal prop-  
225 erty passing as aforesaid to a minor child of the person  
226 who died possessed as aforesaid shall be exempt from  
227 taxation under this section, unless such legacy or share  
228 shall exceed the sum of one thousand dollars, in which  
229 case the excess only above that sum shall be liable to such  
230 taxation.

231 That section one hundred and twenty-five be amended  
232 by inserting after the words "that the tax or duty afore-  
233 said," the following: "shall be due and payable when-  
234 ever the party interested in such legacy or distributive share  
235 or property or interest aforesaid shall become entitled to the  
236 possession or enjoyment thereof, or to the beneficial interest  
237 in the profits accruing therefrom, and the same;" and by  
238 inserting after the words "United States," in the first sen-  
239 tence of said section, the words: "And every administrator,  
240 executor, or trustee, having in charge or trust any legacy or  
241 distributive share, as aforesaid, shall give notice thereof in  
242 writing to the assessor or assistant assessor of the district  
243 where the deceased grantor or bargainer last resided, within  
244 thirty days after he shall have taken charge of such trust;"  
245 and by inserting after the words "shall make out such lists  
246 and valuation as in other cases of neglect or refusal, and

247 shall assess the duty thereon," the words: "And in case of  
248 wilful neglect, refusal, or false statement by such executor,  
249 administrator, or trustee, as aforesaid, he shall be liable to a  
250 penalty of not exceeding one thousand dollars, to be recovered  
251 with costs of suit."

252 That section one hundred and thirty-seven be amended  
253 by inserting after the words "imposed by this act, the words:  
254 "shall be assessed in the collection district where the estate  
255 is situate, and."

256 That section one hundred and thirty-eight be amended  
257 by adding thereto the words: "And every such person  
258 having in charge or trust any disposition of real estate  
259 or interest therein, subject to tax under this act, shall give  
260 notice thereof in writing to the assessor or assistant assessor  
261 of the district where the estate is situate, within thirty days  
262 from the time when he shall have taken charge of such  
263 trust, and prior to any distribution of said real estate,  
264 together with a description and value thereof, and the persons  
265 interested therein; and for wilful neglect or refusal so  
266 to do, shall be liable to a penalty of not exceeding five  
267 hundred dollars, to be recovered with costs of suit."

268 That section one hundred and forty-five be amended  
269 by inserting after the word "years," the words: "from  
270 the time when such tax shall have become due and  
271 payable."

272       That section one hundred and forty-seven be amended  
273   by striking out all after the enacting clause and inserting,  
274   in lieu thereof, the following: That any person liable to  
275   pay tax in respect to any succession shall give notice to  
276   the assessor or assistant assessor of his liability to such  
277   tax, within thirty days from the time when he shall be-  
278   come entitled in possession to such succession or to the  
279   receipt of the income and profits thereof, and shall at the  
280   same time deliver to the assessor or assistant assessor a full  
281   and true account of said succession, for the tax whereon  
282   he shall be accountable, and of the value of the real estate  
283   involved, and of the deductions claimed by him, together  
284   with the names of the successor and predecessor and their  
285   relation to each other, and all such other particulars as  
286   shall be necessary or proper for enabling the assessor or  
287   assistant assessor fully and correctly to ascertain the taxes  
288   due; and the assessor or assistant assessor, if satisfied with  
289   such account and estimate as originally delivered, or with  
290   any amendments that may be made therein upon his requi-  
291   sition, may assess the succession tax on the footing of  
292   such account and estimate; but it shall be lawful for the  
293   assessor or assistant assessor, if dissatisfied with such ac-  
294   count, or if no account and estimate shall be delivered to  
295   him, to assess the tax on the best information he can  
296   obtain, subject to appeal as hereinafter provided; and if

297 the tax so assessed shall exceed the tax assessible according  
298 to return made to the assessor or assistant assessor, and  
299 with which he shall have been dissatisfied, or if no account  
300 and estimate has been delivered, and if no appeal shall  
301 be taken against such assessments, then it shall be in  
302 the discretion of the assessor, having regard to the merits  
303 of each case, to assess the whole or any part of the expenses  
304 incident to the taking of such assessment, in addition to such  
305 tax, and if there shall be an appeal against such last-men-  
306 tioned assessment, then the payment of such expenses shall be  
307 in the discretion of the Commissioner of Internal Revenue.

1       SEC. 13. *And be it further enacted,* That there shall  
2 be levied, collected, and paid on all distilled spirits, upon which  
3 no tax has been paid according to law, a tax of two dollars  
4 on each and every proof gallon, to be paid by the distiller,  
5 owner, or any person having possession thereof, and every  
6 proprietor and possessor of a still, distillery, or distilling ap-  
7 paratus shall be jointly and severally liable for the taxes im-  
8 posed by law upon the spirits distilled therein; and the tax  
9 shall be a lien on the spirits distilled, on the distillery used for  
10 distilling the same, with the stills, vessels, fixtures, and tools  
11 therein, and on the lot or tract of land whereon the said dis-  
12 tillery is situated, together with any building thereon, from  
13 the time said spirits are distilled until the said tax shall be  
14 paid: *Provided,* That the tax on all spirits shall be collected

15 at no lower rate than the basis of first proof, and shall be in-  
16 creased in proportion for any greater strength than the  
17 strength of first proof.

1       SEC. 14. *And be it further enacted,* That proof spirit  
2 shall be held and taken to be that alcoholic liquor which con-  
3 tains one-half its volume of alcohol of a specific gravity of  
4 seven thousand nine hundred and thirty-nine (.7939) ten  
5 thousandths at sixty degrees Fahrenheit; and the Secretary  
6 of the Treasury is hereby authorized to adopt, procure, and  
7 prescribe for use such hydrometers, weighing and gauging  
8 instruments, meters, or other means for ascertaining the  
9 strength and quantity of spirits subject to tax, and to prescribe  
10 such rules and regulations as he may deem necessary to insure  
11 a uniform and correct system of inspection, weighing, and  
12 gauging of spirits subject to tax throughout the United States.  
13 And in all sales of spirits hereafter made, where not other-  
14 wise specially agreed, a gallon shall be taken to be a gallon  
15 of first proof, according to the foregoing standard set forth  
16 and declared for the inspection and gauging of spirits through-  
17 out the United States.

1       SEC. 15. *And be it further enacted,* That every person,  
2 firm, or corporation who distills or manufactures spirits or  
3 alcohol from grain, who brews or makes mash, wort, or wash,  
4 for distillation or the production of spirits, shall be deemed a  
5 distiller, under this act. And the making or keeping by any

6 person of grain, mash, wash, or beer, prepared or fit for  
7 distillation, together with the possession by such person of a  
8 still or other apparatus capable of use for distilling, upon the  
9 same premises, shall be deemed and taken as presumptive  
10 evidence that such person is a distiller within the meaning of  
11 this act.

1       SEC. 16. *And be it further enacted,* That every person,  
2 firm, or corporation who rectifies, purifies, or refines distilled  
3 spirits or wines by any process, or who, by mixing distilled  
4 spirits or wine with other materials, manufactures any spu-  
5 rious, imitation, or compound liquors for sale, under the name  
6 of whiskey, brandy, gin, rum, wine, "spirits," or "wine  
7 bitters," or any other name, shall be regarded as a rectifier  
8 under this act.

1       SEC. 17. *And be it further enacted,* That if any per-  
2 son shall carry on the business of a distiller or rectifier without  
3 having paid the special tax, as required by law, he shall, for  
4 every such offence, be liable to a fine of not less than double  
5 the tax imposed upon the spirits distilled, or double the  
6 special tax due for the spirits rectified by such person or found  
7 upon the premises hereinafter mentioned, and to imprison-  
8 ment for a term not less than one nor more than two years;  
9 and all spirituous liquors so distilled or rectified, or owned by  
10 such person, or found as hereinafter mentioned, and all mate-  
11 rials for making or preparing the same, and all vessels con-

12 taining the same, and all stills or other apparatus capable of  
13 being used for distilling, owned by such person, or found  
14 upon any premises where such business shall be carried on in  
15 violation of this section, shall be forfeited to the United States,  
16 and may be seized by the collector or deputy collector of the  
17 district within which such offence is committed.

1       SEC 18. *And be it further enacted,* That every person  
2 engaged in, or intending to be engaged in, the business of a  
3 distiller or rectifier, shall give notice in writing, subscribed by  
4 him, to the assessor of the district within which such business  
5 is to be carried on, stating the name or style under which, the  
6 name or names, and the place or places of residence of the  
7 person or persons by whom, and the place where said busi-  
8 ness is to be carried on, and whether of distilling or rectifying.  
9 In case of a distiller, the notice shall also state the kind of  
10 stills, boilers, and other implements to be used, and the  
11 capacity of each. In case of any change in the location,  
12 form, capacity, ownership, agency, or superintendence of such  
13 distillery, stills, boilers, or other implements, like notice shall  
14 be given, as aforesaid. within twenty-four hours of such  
15 change. Such person shall also give bond, in form to be pre-  
16 scribed by the Commissioner of Internal Revenue, with  
17 sureties approved by the collector of the district, who may  
18 approve the same if he shall be satisfied, by affidavits  
19 made on said bond, of the sufficiency of said sureties,

20 conditioned that he will comply with all the requirements of  
21 the law in relation to distilled spirits. The penal sum of such  
22 bond shall not be more than double the amount of the tax on  
23 the spirits that can be distilled by such still or stills or other  
24 implements during a period of fifteen days. Said collector  
25 shall refuse to approve said bond when, in his judgment, the  
26 incumbrances upon the distillery and premises are such as to  
27 impair the security for the collection of the tax, or when the  
28 location of the distillery would enable the distiller to defraud  
29 the revenue; and in case of such refusal, the distiller may  
30 appeal to the Commissioner of Internal Revenue, whose de-  
31 cision in the matter shall be final. A new bond may be re-  
32 quired in case of the death, insolvency, or removal of either  
33 of the sureties, or in any other contingency, at the discretion  
34 of the collector. Any person failing or refusing to give the  
35 notice or bond hereinbefore required, or giving a false or  
36 fraudulent notice, shall be liable to the fine and forfeitures  
37 provided in the last preceding section.

1       SEC. 19. *And be it further enacted,* That no person  
2 shall use any still, boiler, or other vessel, for the purpose of  
3 distilling in any building or on any premises where beer,  
4 lager beer, ale, porter, or other fermented liquors, vinegar, or  
5 either, are manufactured or produced, or where sugars or  
6 sirups are refined, or where liquors of any description are  
7 retailed, or any other business is carried on, or in any dwell-



8 ing-house; and every person who shall use such still, boiler,  
9 or other vessel, for the purpose of distilling, as aforesaid, in  
10 any building or other premises where the above specified  
11 articles are manufactured, produced, or other business is car-  
12 ried on, or in any dwelling-house, or who shall procure the  
13 same to be done, shall forfeit such stills, boilers, or other  
14 vessels so used, and all the spirits distilled, and pay a fine of  
15 one thousand dollars, and be imprisoned for not less than six  
16 months nor more than one year, in the discretion of the  
17 court; and any person who shall manufacture any still, boiler,  
18 or other vessel, to be used for the purpose of distilling, shall,  
19 before the same is removed from the place of manufacture,  
20 notify the collector where such still, boiler, or other vessel is  
21 to be used or sent, and by whom it is to be used, and of its  
22 capacity, and the time when the same is to be sent or set up;  
23 and no such still, boiler, or other vessel shall be set up with-  
24 out the permit in writing of the collector for that purpose;  
25 and any person who shall set up such still, boiler, or other  
26 vessel, without first obtaining a permit from the collector of  
27 the district in which such still, boiler, or other vessel is in-  
28 tended to be used, or who shall fail to give such notice, shall  
29 pay in either case the sum of five hundred dollars, and shall  
30 forfeit the distilling apparatus thus removed or set up in vio-  
31 lation of law: *Provided*, That saleratus may be made or  
32 manufactured in any building or on any premises where

33 spirits are distilled: *Provided further*, That any boiler used  
34 in generating steam or heating water to be used in such dis-  
35 tillery may be located in any other building or on any other  
36 premises to be connected with such still or boiling tubs, by  
37 suitable pipes or other apparatus, or the steam from such  
38 boiler in the distillery may be conveyed to other premises to  
39 used for manufacturing or other purposes.

1        SEC. 20. *And be it further enacted*, That every person  
2 making or distilling spirits, or owning any still, boiler or other  
3 vessel used for the purpose of distilling spirits, or having such  
4 still, boiler, or other vessel so used under his superintendence,  
5 either as agent or owner, or using any such still, boiler,  
6 or other vessel, shall, from day to day, make or cause to  
7 be made, true and exact entry in a book, to be kept in such  
8 form as the Commissioner of Internal Revenue may prescribe,  
9 of the number of pounds or gallons of materials used for the  
10 purpose of producing spirits, the number of gallons of spirits  
11 distilled, the number of gallons placed in warehouse, and  
12 the proof thereof, and the number of gallons sold, with  
13 the proof thereof, and the name and place of business or  
14 residence of the person to whom sold; and shall also on  
15 the first, eleventh, and twenty-first day of each month, or  
16 within five days thereafter, render to the assessor or assistant  
17 assessor an account in duplicate, taken from his books in the  
18 particulars hereinbefore recited, and verified by oath, of all

19 the facts occurring after the last day of account preceding.  
20 The entries to be made in the books of the distiller as afore-  
21 said shall, upon the several days when the returns are made, as  
22 provided, be verified by oath or affirmation of the person or  
23 persons by whom such entries shall have been made, in the pre-  
24 sence of the assessor or assistant assessor, or other proper  
25 officer, who shall append thereto his certificate of the execu-  
26 tion of the same. The owner, agent, or superintendent of  
27 any distillery shall, in case the original entries required to be  
28 made in his books by this act shall not have been made by  
29 himself, subjoin to the certificate of the person by whom they  
30 were made the following oath or affirmation: "I do certify  
31 that to the best of my knowledge and belief the foregoing  
32 entries are just and true, and that I have taken all the means  
33 in my power to make them so." Said book shall always be  
34 open for the inspection of any assessor, assistant assessor, col-  
35 lector, deputy collector, revenue agents, or inspectors, and  
36 any premises where distilling shall be carried on shall be open  
37 to said officers, or either of them, at all times. Any person  
38 who shall violate the provisions of this section shall for every  
39 such offence be liable to a fine of five hundred dollars. Any  
40 person who shall render an account under the provisions of  
41 this section which shall be false or fraudulent shall be liable  
42 to a fine of not less than five hundred dollars, and to imprison-  
43 ment not less than six months.

1        SEC. 21. *And be it further enacted,* That the owner of  
2 any distillery shall provide, at his own expense, a warehouse  
3 suitable for the storage of bonded spirits of his own manu-  
4 facture only; or he may provide a secure room, in a suitable  
5 building, to be used as such warehouse, but no dwelling-house  
6 shall be used for such purpose; and no door, window, or other  
7 opening shall be made or permitted in the walls thereof, lead-  
8 ing to any other room or building used for any other purpose,  
9 or into the distillery; and such warehouse or room, when  
10 approved by the Secretary of the Treasury, on report of the  
11 district collector, is hereby declared to be a bonded warehouse  
12 of the United States, and shall be used only for the storing of  
13 spirits manufactured by the owner, agent, or superintendent  
14 of such distillery, and shall be under the custody of the in-  
15 spector, as hereinafter provided; and shall be kept locked up  
16 by the officer in charge, at all times, except when he shall be  
17 present; and the tax on the spirits stored in such warehouse shall  
18 be paid before removal from such warehouse, unless removed  
19 in pursuance of law. And the owner of such warehouse  
20 shall execute a general bond to the United States, with two  
21 or more sureties, to be approved by the collector; and such  
22 bond shall be for not less than the amount of taxes on the  
23 spirits to be covered thereby, and in such form, and contain-  
24 ing such conditions, as shall be approved by the Secretary of  
25 the Treasury, and shall be changed or renewed from time to

26 time in regard to the amount and sureties thereof, as the col-  
27 lector, with the approval of the Secretary of the Treasury,  
28 may require.

1       SEC. 22. *And be it further enacted,* That the owner,  
2 agent, or superintendent of any distillery established as here-  
3 inbefore provided, shall erect, in a room or building to be  
4 provided and used for that purpose, and for no other, two or  
5 more receiving cisterns, each to be at least of sufficient capacity  
6 to hold the spirits distilled during the day of twenty-four  
7 hours, into one of which shall be conveyed each day the spirits  
8 manufactured in said distillery during that day; and such  
9 cisterns shall be so constructed as to leave an open space of  
10 at least three feet between the tops thereof and the floor or  
11 roof above, and of not less than eighteen inches between the  
12 bottoms thereof and the floor below, and shall be separated in  
13 such a manner as will enable the inspector to pass around the  
14 same, and shall be connected with the outlet of the stills,  
15 boilers, or other vessels used for distilling, by suitable pipes or  
16 other apparatus so constructed as always to be exposed to the  
17 view of the inspector; such cisterns and the room in which  
18 they are contained shall be in charge of and under the lock  
19 and seal of the inspector; and on the third day after the  
20 spirits are conveyed into such cisterns the same shall be drawn  
21 off into casks or other packages, under the supervision of the  
22 inspector, and shall be immediately inspected, gauged and

23 proved, and the casks or packages marked as herein provided  
24 shall be removed directly to the bonded warehouse before  
25 mentioned: *Provided*, That the spirits may be drawn off from  
26 said cisterns at any time previous to the third day, if so desired  
27 by the owner, agent, or superintendent of such distillery; and  
28 all locks and seals required by law shall be provided by the  
29 Secretary of the Treasury, at the expense of the owner of  
30 the distillery or warehouse, and the keys shall always be in  
31 the custody of the inspector or assistant inspector, or the  
32 officer having charge of the distillery or warehouse.

1       SEC. 23. *And be it further enacted*, That there shall be  
2 appointed by the Secretary of the Treasury an inspector for  
3 every distillery established according to law, who shall take  
4 an oath faithfully to perform his duties; and who shall take  
5 an account of all the meal, vegetable productions, molasses,  
6 sugar, or other substances received into the distillery, or upon  
7 the premises, and the quantity put into the mash tub or  
8 otherwise used; and shall inspect, gauge and prove all the  
9 spirits distilled, under such rules and regulations as may be  
10 prescribed by the Commissioner of Internal Revenue; and  
11 shall take charge of the bonded warehouse established for the  
12 distillery in conformity to law; and such warehouse shall be  
13 in the joint custody of such inspector and the owner thereof,  
14 his agent or superintendent; and when any spirits shall be  
15 placed in such warehouse, an entry therefor, in such form as

16 shall be prescribed by regulations, shall immediately be made  
17 and signed by the owner of said spirits, and shall have  
18 indorsed thereon a certificate of the inspector that the spirits  
19 mentioned have been duly inspected and received in said  
20 warehouse, and such entry and certificate shall be filed with  
21 the collector of the district; and said inspector shall not  
22 engage in any other business while employed as an inspector  
23 and shall be paid five dollars per day for the time during  
24 which he is engaged; and the amount of his compensation  
25 shall be assessed by the assessor upon the distiller, and  
26 returned to the collector monthly for collection. And in case  
27 the duties of such inspector shall be greater at any time  
28 than he can perform, upon the joint application of the  
29 inspector and owner of such distillery, the Secretary of the  
30 Treasury may appoint an assistant inspector; and upon the re-  
31 fusel of the distiller to join in such application, the collector shall  
32 decide as to such necessity; and such assistant inspector shall  
33 qualify in the same manner and be subject to the same penal-  
34 ties as the inspector, and he shall be paid in the same manner  
35 as the inspector, at a rate not exceeding the sum of three  
36 dollars per day while so employed; and in case of disagree-  
37 ment as to the necessity of retaining the services of such assis-  
38 tant, between the owner of the distillery and the inspector,  
39 the collector shall decide as to such necessity, and his decision  
40 in the matter shall be final. And in case of absence by sick-

41 ness, or from any other cause, of such inspector or assistant,  
42 the collector may designate a person to take temporary charge  
43 of such distillery and warehouse, who shall during such  
44 absence perform the duties, receive the same rate of pay, and  
45 be paid in the same manner, as said inspector or assistant  
46 for the time he may be so employed; and the owner,  
47 agent, or superintendent of any distillery who shall use, cause  
48 or permit to be used, any materials for the purpose of pro-  
49 ducing spirits, or shall distil or remove any spirits in the  
50 absence of the inspector or assistant, shall forfeit and pay  
51 double the amount of taxes on the spirits so produced, distilled,  
52 or removed, and, in addition thereto, be liable to a fine of one  
53 thousand dollars, to be recovered in the manner provided for  
54 other penalties; and any person who shall ship, transport or  
55 remove any spirituous or fermented liquors or wines, under  
56 any other than the proper name or brand known to the trade  
57 as designating the kind and quality of the contents of the  
58 casks or packages containing the same, or who shall cause the  
59 same to be done, shall forfeit the same, and shall, on convic-  
60 tion thereof, be subject to and pay a fine of five hundred  
61 dollars: *Provided further*, That such inspectors may be as-  
62 signed to duty at other distilleries than those to which they  
63 were, respectively, appointed.

1        SEC. 24. *And be it further enacted*, That all distilled  
2 spirits shall, before the same are removed from the distillery



3 to the bonded warehouse, be inspected and proved by the in-  
4 spector of the distillery, after the same has been drawn into  
5 casks or packages, each of not less capacity than twenty gal-  
6 lons, wine measure, and said inspector shall mark by cutting,  
7 branding, or otherwise, upon the cask or package containing  
8 such spirits, in a manner to be prescribed by the Commis-  
9 sioner of Internal Revenue, the quantity and proof of the  
10 contents of such cask or package, with the date of inspection,  
11 the collection district, the name of the inspector and the  
12 name of the distiller, and also the number of each cask in  
13 progressive order, such progressive number for every distiller,  
14 to begin with number one with the first cask or package in-  
15 spected after this act takes effect, and subsequently with num-  
16 ber one with the first cask inspected on or after the first day  
17 of January, in each year, and no two or more casks ware-  
18 housed in the same year by the same distiller shall be marked  
19 with the same number, and no cask or package of spirits shall  
20 be taken therefrom on which has not been marked all the  
21 several particulars aforesaid, in the manner required by law.  
22 And the inspector in charge of any distillery shall make a  
23 prompt return of the name of the distiller and of all spirits  
24 inspected by him in accordance with the provisions of law, to  
25 the collector, and a duplicate thereof to the assessor of the  
26 district.

1        SEC. 25. *And be it further enacted,* That general bonded

2 warehouses, for the storage of spirits or other merchandise  
3 allowed by law to be placed in bond to secure the payment  
4 of the internal revenue tax thereon, or the exportation  
5 thereof, may be established under such rules and regulations,  
6 and upon the execution of such bonds, as the Secretary of  
7 the Treasury may prescribe, and shall be in the immediate  
8 custody of storekeepers who shall be appointed for that pur-  
9 pose by the Secretary of the Treasury, whose compensation  
10 shall be paid monthly to the collector of the district by the  
11 owners or proprietors of such warehouse, and shall not  
12 exceed the rates which may be allowed to storekeepers of  
13 bonded warehouses established under the laws and regula-  
14 tions relating to customs: *Provided*, That any article manu-  
15 factured in a bonded warehouse established under the one  
16 hundred and sixty-eighth section of the internal revenue act  
17 of June thirtieth, eighteen hundred and sixty-four, and  
18 located in any of the Atlantic States, may be removed  
19 therefrom for transportation to a customs bonded warehouse  
20 at any port on the Pacific coast of the United States, for the  
21 purpose only of being exported therefrom, under such rules  
22 and regulations and upon the execution of such bonds or other  
23 security as the Secretary of the Treasury may prescribe.

1       SEC. 23. *And be it further enacted*, That there shall be  
2 appointed by the Secretary of the Treasury, in every collec-  
3 tion district where the same may be necessary, one or more

4 general inspectors of spirits, who shall be required to inspect,  
5 gauge, and prove any distilled spirits to be removed from any  
6 bonded warehouse before such removal, or received in or  
7 delivered from any general bonded warehouse, and make  
8 prompt return thereof to the collector under such rules and  
9 regulations as may be prescribed, and such general inspector  
10 shall be entitled to receive such fee as may be prescribed by  
11 the Commissioner of Internal Revenue for each and every  
12 proof gallon gauged and proved by him; and any owner,  
13 agent, or superintendent of any distillery or bonded ware-  
14 house who shall refuse to admit such inspector upon such  
15 premises, so far as it may be necessary for the performance  
16 of his duties, or who shall obstruct any inspector in the per-  
17 formance of his duties, shall forfeit and pay the sum of five  
18 hundred dollars, to be recovered in the manner provided for  
19 recovery of other penalties imposed by this act.

1        SEC. 27. *And be it further enacted,* That any person who  
2 shall evade or attempt to evade the payment of the tax upon  
3 any distilled spirits, by changing any marks upon any such  
4 cask or package, or in any other manner whatever, or who  
5 shall put into such cask or package spirits of greater strength  
6 than that inspected and certified to by the inspector, shall  
7 pay double the amount of tax on each proof gallon of the  
8 quantity of such spirits, to be assessed and collected as in case  
9 of other taxes, and forfeit and pay as a penalty the additional

10 sum of five hundred dollars for each cask or package so al-  
11 tered or changed, to be recovered as provided by law ; and  
12 any person who shall defraud or attempt to defraud the United  
13 States of the revenue or tax arising from distilled spirits or  
14 any part thereof, or who shall, with intent to defraud the  
15 United States of such revenue or tax, make any false or frau-  
16 dulent entry, certificate, or return, or place any false or frau-  
17 dulent mark upon any cask or package, shall, on conviction  
18 thereof, pay a fine of not less than one thousand nor more  
19 than five thousand dollars, and be imprisoned for not less than  
20 two nor more than five years ; and any person who shall  
21 fraudulently use any cask or package bearing inspection  
22 marks, for the purpose of selling any other spirits than that  
23 so inspected, or for selling spirits of a quantity or quality dif-  
24 ferent from that so inspected, shall be imprisoned for a term  
25 of not less than six months, and shall pay a fine of not  
26 less than one hundred dollars for each cask or package so  
27 used, in the discretion of the court ; and any person who  
28 shall knowingly purchase or sell, with inspection marks  
29 thereon, any cask or package, after the same has been  
30 used for distilled spirits, or who shall fraudulently omit  
31 to erase or obliterate the inspection marks upon any such  
32 package or cask at the time of emptying the same, shall  
33 forfeit and pay the sum of two hundred dollars for  
34 every cask so purchased or used, or on which the marks are

35 not so obliterated. And any person other than the inspector  
36 or his assistant, who shall use any inspector's brands or plates  
37 upon any cask or package containing or purporting to contain  
38 distilled spirits, or any person who shall knowingly make or  
39 use any counterfeit or spurious brand or plate upon any cask  
40 or package of distilled spirits, as aforesaid, shall be deemed  
41 guilty of a felony, and, on conviction thereof, shall pay a fine  
42 of one thousand dollars and be imprisoned for not less than  
43 two nor more than five years, and such cask or package, with  
44 its contents, shall be forfeited to the United States. And any  
45 inspector who shall permit any person not employed by him  
46 to use any of his brands or plates, or who shall negligently or  
47 wilfully leave such brands or plates where they can be used  
48 by any other person than those who may be in his employ,  
49 shall pay a fine not less than two hundred dollars, nor more  
50 than one thousand dollars, in the discretion of the court. And  
51 any inspector who shall employ any owner, agent, or super-  
52 intendent of any distillery or warehouse under his supervision,  
53 or who shall employ any person in the service of such owner,  
54 agent, or superintendent, to use his plates or brands, or to  
55 discharge any of the duties imposed by law upon such in-  
56 spector, shall, for each offence so committed, be subject to the  
57 fine last mentioned. And every owner, agent, or superin-  
58 tendent of any distillery, shall, at all times when required  
59 supply all assistance, lights, ladders, tools, staging, or other

60 things necessary for inspecting the premises, stock, tools, and  
 61 apparatus, belonging to such person, and shall open all doors,  
 62 and open for examination all boxes, packages, and all casks,  
 63 barrels, and other vessels not under the control of the inspec-  
 64 tor, when required so to do by any duly authorized officer,  
 65 under a penalty of two hundred dollars for any refusal or neg-  
 66 lect so to do.

1       SEC. 28. *And be it further enacted,* That any distilled  
 2 spirits which have been inspected, gauged, proved, and marked  
 3 by the inspector, according to the provisions of law, may be  
 4 removed without the payment of tax from the bonded ware-  
 5 house owned by the distiller, under such rules and regulations,  
 6 and upon the execution of such transportation bonds or other  
 7 security, as the Commissioner of Internal Revenue, subject to  
 8 the approval of the Secretary of the Treasury, may prescribe,  
 9 and may be transported to any general bonded warehouse  
 10 used for the storage of distilled spirits, established under the  
 11 internal revenue laws and regulations, after having been  
 12 branded as follows: "U. S. bonded warehouse, ——— dis-  
 13 trict, ———; for transportation to ——— district, ———,"  
 14 (inserting in each case the number of the district and name  
 15 of the State;) and immediately after the arrival of such dis-  
 16 tilled spirits in the district of the collector to which it was to  
 17 be transferred, it shall again be inspected by a general in-  
 18 spector, and placed in a bonded warehouse; and the tax shall

19 be paid on the difference between the number of proof  
20 gallons, as stated in the bond given at the place of shipment,  
21 and the number received at the warehouse, less the allowance  
22 for leakage, as established by the regulations of the Commis-  
23 sioner of Internal Revenue; and, except for actual destruc-  
24 tion by unavoidable accident, by the elements, or by the  
25 public enemy, no other allowance for loss shall be made; and  
26 any distilled spirits entered in a general bonded warehouse  
27 shall be subject to such rules and regulations as the Commis-  
28 sioner of Internal Revenue may prescribe, and be chargeable  
29 with the same costs and expenses, in all respects, to which  
30 imported goods deposited in public store or bonded warehouse  
31 may be subject, and shall be in charge of a storekeeper, to be  
32 appointed by the Secretary of the Treasury, who, with the  
33 owner and proprietor of the warehouse, shall have the joint  
34 custody of all the distilled spirits so stored in said warehouse,  
35 which shall be at the risk of the owner of the said spirits,  
36 and all labor on the same shall be performed by the owner or  
37 proprietor of the warehouse, under the supervision of the of-  
38 ficer in charge of the same, and at the expense of said owner  
39 or proprietor. And the same fees shall be paid for the exe-  
40 cution of all papers, instruments, and documents relating to  
41 the exportation of any spirits or other merchandise, as are  
42 charged to exporters for like services in the custom-house;  
43 and all expense and services required in the removal, transfer,

44 and shipment of the same for export shall be paid by the  
45 owner thereof: *Provided*, That any distilled spirits may be  
46 withdrawn from a bonded warehouse, after having been in-  
47 spected and gauged by a general inspector, and after the pay-  
48 ment to the collector of internal revenue for the district in  
49 which the warehouse is situated of the tax imposed by law;  
50 and when so delivered, shall be branded "U. S. bonded ware-  
51 house, tax paid;" or may be removed from said warehouse  
52 without the payment of the tax for the purpose of being  
53 exported, or for the purpose of being rectified, or redis-  
54 tilled, canned, or put into other packages, after the quan-  
55 tity and proof of the spirits to be removed have been ascer-  
56 tained and inspected as required by law, under such rules  
57 and regulations and the execution of such bonds or other  
58 security as the Commissioner of Internal Revenue, subject  
59 to the approval of the Secretary of the Treasury, may pre-  
60 scribe; but such removal of bonded spirits for the purpose of  
61 being rectified, redistilled, or put into other packages, shall be  
62 allowed but once on the same spirits; and all spirits so re-  
63 moved for redistillation, rectification, or change of package,  
64 shall be returned to the same warehouse, and shall again be  
65 inspected; and the tax shall be paid to the said collector on  
66 any deficiency or reduction beyond three per centum. And  
67 upon spirits removed under bond for the purpose of being re-  
68 distilled or rectified, or change of package as aforesaid, and



69 upon which an allowance shall have been made, as herein  
70 provided, the duty upon such allowance shall be paid, to-  
71 gether with the taxes imposed by law upon such spirits, in  
72 case such spirits shall be withdrawn for consumption or sale,  
73 or for transportation without being exported. And no draw-  
74 back shall be allowed on any distilled spirits on which the  
75 tax has been paid; but nothing in this section shall be so con-  
76 strued as to prevent the manufacture in bond for exportation,  
77 without the payment of taxes, of medicines, preparations,  
78 compositions, perfumery, cosmetics, cordials, and other liquors  
79 manufactured wholly or in part of domestic spirits, as pro-  
80 vided by law.

1       SEC. 29. *And be it further enacted,* That any distilled  
2 spirits may be removed from bonded warehouse, for the pur-  
3 pose of being exported, upon the order of the superintendent  
4 of exports for the port whence the same are to be exported;  
5 and such order shall state the port to which such spirits are  
6 to be shipped, the name of the vessel, the number of proof  
7 gallons, and the marks of the casks or packages; and such  
8 spirits shall be branded "U. S. bonded warehouse, for  
9 export," and shall be put on board the vessel in or by  
10 which they are to be exported, under the superintendence of  
11 a general inspector, and placed under the supervision of an  
12 officer of the customs, after a bond with good and sufficient  
13 sureties shall have been given in such form and containing

14 such conditions as the Commissioner of Internal Revenue,  
15 subject to the approval of the Secretary of the Treasury, may  
16 prescribe. And such bond shall be cancelled upon the pre-  
17 sentation of the proper certificate that said spirits have been  
18 landed at the port named in said bond, or at any other port  
19 without the jurisdiction of the United States, or upon satis-  
20 factory proof that after shipment the spirits have been lost.  
21 And at any port where there shall be no superintendent of  
22 exports, all the duties and services required of superintendents  
23 of exports and drawback shall devolve upon and be performed  
24 by the collector of internal revenue designated to have charge  
25 of exportation.

1       SEC. 30. *And be it further enacted,* That any person  
2 who shall remove any distilled spirits from the place where  
3 the same is distilled, otherwise than into a bonded warehouse  
4 as provided by law, shall be liable to a fine of double the  
5 amount of the tax imposed thereon, and to imprisonment for  
6 not less than three months. All distilled spirits so removed,  
7 and all distilled spirits found elsewhere than in a bonded ware-  
8 house, not having been removed from such warehouse accord-  
9 ing to law, shall be forfeited to the United States, or may,  
10 immediately upon discovery, be seized, and, after assessment  
11 of the tax thereon, may be sold by the collector for the tax  
12 and expenses of seizure and sale. And proceedings upon  
13 such seizure shall be according to existing provisions of law

14 in relation to distraint, and in conformity with any regulations  
15 which shall be made by the Commissioner of Internal Revenue.  
16 And the burden of proof shall be upon the claimant of said  
17 spirits to show that the requirements of law in regard to the  
18 same have been complied with. And any person who shall  
19 aid or abet in the removal of distilled spirits from any distil-  
20 lery otherwise than to a bonded warehouse as provided by  
21 law, or shall aid in the concealment of such spirits so removed,  
22 shall be liable, on conviction thereof, to a fine of not less than  
23 two hundred nor more than one thousand dollars, and to im-  
24 prisonment for not less than three nor more than twelve  
25 months. And any person who shall remove, or shall aid or  
26 abet in the removal of any distilled spirits from any bonded  
27 warehouse, otherwise than is allowed by law, shall be liable  
28 to a fine of not more than one thousand dollars, and to im-  
29 prisonment for not less than three nor more than twelve  
30 months.

1       SEC. 31. *And be it further enacted,* That any person or  
2 persons who shall add or cause to be added any ingredients  
3 to any spirits before the tax imposed by law shall have been  
4 paid thereon, for the purpose of creating a fictitious proof,  
5 shall, upon conviction, be subject to a fine of one thousand  
6 dollars for each cask or package so adulterated, and be im-  
7 prisoned for not less than one nor more than two years, in the

8 discretion of the court; and such cask or package, with its  
9 contents, shall be forfeited to the United States.

1       SEC. 32. *And be it further enacted,* That every rectifier  
2 or wholesale dealer in distilled spirits shall enter, daily, in a  
3 book or books kept for the purpose, under such rules and  
4 regulations as the Commissioner of Internal Revenue may  
5 prescribe, the number of proof gallons of spirits purchased  
6 or received, of whom purchased and received, the name of  
7 the distiller, the names of the inspectors, the number on the  
8 cask or package, and the number of proof gallons sold or de-  
9 livered, and to whom, and shall mark with a stencil-plate, on  
10 each package of five gallons or more of distilled or rectified  
11 spirits sold by him, his name and place of business; and every  
12 rectifier or wholesale dealer who shall neglect or refuse to  
13 keep such record, or shall omit to mark each cask or pack-  
14 age as aforesaid, shall forfeit all spirits in his possession, to-  
15 gether with the apparatus, tools, and implements used, and  
16 be subject to a fine of five hundred dollars and imprisonment  
17 for not less than six months nor more than one year, in the  
18 discretion of the court.

1       SEC. 33. *And be it further enacted,* That any person  
2 owning any distilled spirits intended for sale, manufactured  
3 prior to the time when this act takes effect, exceeding fifty  
4 gallons altogether, shall notify in writing the collector of the  
5 district wherein such spirits may be stored, held, or owned,

6 within sixty days thereafter, to gauge and prove the same;  
 7 and upon the receipt of said notice the collector shall cause  
 8 said spirits to be gauged and proved by a general inspector,  
 9 and the casks or packages containing the same to be marked  
 10 by him in the following manner:

11 \_\_\_\_\_  
 12 Manufactured prior to  
 13 \_\_\_\_\_, 186—.  
 14 \_\_\_\_\_, Inspector,  
 15 ——— District.  
 16 Inspected ———, 186—.  
 17 \_\_\_\_\_

18 And no spirits so manufactured, held, or owned, shall be  
 19 gauged, proved, or marked in any cistern or other stationary  
 20 vessel, but shall be gauged, proved, and marked only in bar-  
 21 rels, casks, or packages in which the same shall have been  
 22 placed. Upon the receipt of the return the collector shall  
 23 immediately forward to the Commissioner of Internal Reve-  
 24 nue a copy thereof; and any person holding or owning such  
 25 spirits, and refusing or neglecting to notify the collector, as in  
 26 this section provided, shall forfeit the same and pay the sum  
 27 of five hundred dollars, to be collected in the manner provided  
 28 by law for the collection of other penalties. No distilled  
 29 spirits on which the tax has been paid shall be stored or  
 30 allowed to remain on any distillery premises, under the pen-

31 alty of a forfeiture of all spirits so found. And all spirits,  
 32 after being removed from the original packages in which  
 33 they were inspected and gauged into other packages for  
 34 purposes of rectification, redistillation or change of proof,  
 35 shall again be inspected and gauged and properly branded;  
 36 and the absence of an inspector's brand shall be taken and  
 37 held as sufficient cause or evidence upon which any spirits so  
 38 found may be forfeited. And any person who shall change  
 39 the character of any spirits, either by rectification, mixing, or  
 40 otherwise, after they have been duly inspected and marked,  
 41 as hereinbefore provided, and place the same in other pack-  
 42 ages for consumption or sale without first stamping or brand-  
 43 ing upon such package, in such manner as the Commissioner  
 44 of the Internal Revenue may prescribe, the word "Rectified,"  
 45 shall forfeit such spirits, and the same may be seized by the  
 46 collector or deputy collector of the district where such spirits  
 47 may be found, or by such other collector or deputy collector  
 48 as may be specially authorized by the Commissioner of In-  
 49 ternal Revenue for that purpose. And any person who shall  
 50 so brand any package, containing spirits, knowing the taxes  
 51 thereon have not been paid, shall forfeit such spirits, and be  
 52 deemed guilty of a misdemeanor, and upon conviction shall  
 53 be imprisoned for not more than two years, at the discretion  
 54 of the court.

1        SEC. 34. *And be it further enacted, That the owner of*

2 any oil refinery may provide, at his own expense, a ware-  
3 house, in conformity with such regulations as the Secretary  
4 of the Treasury may prescribe ; and such warehouse, when  
5 approved by the collector, is hereby declared a bonded ware-  
6 house of the United States, and shall be used only for storing  
7 refined coal oil or naphtha, and be under the custody of the  
8 collector or his deputy. And the duty on coal oil or naphtha  
9 stored in such warehouse shall be paid before it is removed  
10 from such warehouse, unless removed in pursuance of law.  
11 And all distilled or refined coal oil, distillate, benzine or ben-  
12 zole, and naphtha, upon which an excise tax is imposed  
13 by law, may, after being inspected, gauged, proved, and  
14 marked by the inspector according to the provisions of this  
15 act, be removed, without payment of the tax under such rules  
16 and regulations, and upon the execution of such transportation  
17 bonds or other security as the Secretary of the Treasury may  
18 prescribe. The said oil or naphtha so removed shall be trans-  
19 ferred directly from the distillery or refinery to a bonded ware-  
20 house, established in conformity with law and treasury regu-  
21 lations, and may be transported from such warehouse to any  
22 one other bonded warehouse used for the storage of coal oil  
23 or naphtha. And after the arrival of such coal oil or naphtha  
24 at the bonded warehouse within the district of the assessor to  
25 which it has been transferred, it shall be again inspected, and  
26 the tax shall be assessed and paid on any deficiency or reduc-

tion of the number of gallons beyond such allowance for leakage as may be established by the regulations of the Commissioner of Internal Revenue, received at the warehouse, from the number of gallons as stated in the bond given at the place of shipment. And any coal oil or naphtha in the public warehouses shall be subject to the same rules and regulations, and be chargeable with the same costs and expenses in all respects, to which imported goods deposited in public store or bonded warehouse may be subject; and shall be in charge of a proper officer, to be designated by the Secretary of the Treasury, who, with the owner and proprietor of the warehouse, shall have the joint custody of all the oil or naphtha so stored in said warehouse, which shall be at the risk of the owner of the said oil or naphtha. And all labor on the same shall be performed by the owner or proprietor of the warehouse, under the supervision of the officer in charge of the same, and at the expense of said owner or proprietor of the warehouse; and the same fees shall be paid for exports as are charged to exporters for like services in the custom-house. And no drawback shall in any case be allowed on any coal oil or naphtha, upon which a tax shall have been paid, either before or after it shall have been placed in a bonded warehouse: *Provided*, That any coal oil, or naphtha may be withdrawn from the bonded warehouse after payment, to the collector of internal revenue for the dis-



52 trict in which the warehouse is situated, of the tax imposed  
53 by law, or may be removed without payment of the tax for  
54 the purpose of being exported, or for the purpose of being  
55 distilled or canned for export, after the quantity of the oil or  
56 naphtha to be removed has been ascertained and inspected  
57 according to the provisions of law, under such rules and regu-  
58 lations and the execution of such bond or other security as  
59 the Secretary of the Treasury may prescribe. And any oil,  
60 or naphtha so removed for distillation shall be returned to the  
61 warehouse and shall be again inspected, and the tax shall be  
62 paid to the said collector on any deficiency of reduction be-  
63 yond the allowance for loss by redistillation established by the  
64 Commissioner of Internal Revenue, in the number of gallons  
65 received at the warehouse for the purpose of being exported,  
66 as aforesaid.

1       SEC. 35. *And be it further enacted,* That spirits of tur-  
2 pentine may be transferred, without payment of the tax, to  
3 a bonded warehouse established in conformity with law and  
4 treasury regulations, under such rules and regulations and  
5 upon the execution of such transportation bonds or other  
6 security as may be prescribed by the Commissioner of Inter-  
7 nal Revenue, subject to the approval of the Secretary of the  
8 treasury, said bonds or other security to be taken by the col-  
9 lector of the district from which such removal is made; and  
10 may be transported from such a warehouse to any other

11 bonded warehouse established as aforesaid, and may be with-  
12 drawn from bonded warehouse for consumption on payment  
13 of the tax, or removed for export to a foreign country with-  
14 out payment of tax, in conformity with the provisions of law  
15 relating to the removal of distilled spirits, all the rules,  
16 regulations, and conditions of which, so far as applicable,  
17 shall apply to spirits of turpentine in bonded warehouse.  
18 And no drawback shall in any case be allowed upon any  
19 spirits of turpentine.

1       SEC. 36. *And be it further enacted,* That any person or  
2 persons who shall execute or sign any false or fraudulent  
3 bond, permit, entry, or other document, required by law or  
4 regulations; or who shall fraudulently procure the same to  
5 be executed; or who shall connive at the execution thereof,  
6 by which the payment of any internal revenue tax or duty  
7 shall be evaded, or attempted to be evaded, or which shall be  
8 executed, or purport to be executed, for the purpose of placing  
9 in, or withdrawing from, any bonded warehouse any spirits  
10 or other merchandise for any purpose whatever, or which  
11 shall in any way be used or attempted to be used in fraud of  
12 the internal revenue laws and regulations, on conviction there-  
13 of, shall forfeit all property in such spirits or other merchan-  
14 dise to which such instrument relates, or purports to relate,  
15 and shall be imprisoned for a term not less than one nor more  
16 than five years, at the discretion of the court.

1        SEC. 37. *And be it further enacted,* That any person  
2 who shall knowingly and fraudulently use any false weights  
3 or measures in ascertaining, weighing, or measuring the  
4 quantities of grain, meal, or vegetable materials, molasses,  
5 beer, or other substances to be used for distillation, or who  
6 shall fraudulently make false record of the same, or who shall  
7 destroy or tamper with any locks or seal which may be placed  
8 on any cistern, rooms, or buildings, by the duly authorized  
9 officers of the revenue, shall on conviction thereof be impris-  
10 oned for the term of two years, and pay a fine not exceeding  
11 one thousand dollars, in the discretion of the court; and any  
12 person who shall use any molasses, beer, or other substances,  
13 whether fermented on the premises or elsewhere, for the pur-  
14 pose of producing spirits, before an account of the same shall  
15 have been registered in the proper record book provided for  
16 this purpose, shall forfeit and pay the sum of one thousand  
17 dollars for each and every offence so committed.

1        SEC. 38. *And be it further enacted,* That all boilers,  
2 stills, or other vessels, tools, and implements, used in distilling  
3 or rectifying, and forfeited under any of the provisions of this  
4 act, and all condemned material, together with any engine or  
5 other machinery connected therewith, and all empty barrels,  
6 and all grain or other material suitable for distillation, shall,  
7 under the direction of the court in which the forfeiture is re-  
8 covered, be sold at public auction, and the proceeds thereof,

9 after deducting the expenses of sale, shall be disposed of  
10 according to law. And all spirits or spirituous liquors which  
11 may be forfeited under the provisions of this act, unless  
12 herein otherwise provided, shall be disposed of by the Com-  
13 missioner of Internal Revenue as the Secretary of the Trea-  
14 sury may direct. And the Commissioner of Internal  
15 Revenue is hereby authorized, with the approval of the Sec-  
16 retary of the Treasury, to exempt distillers of brandy from  
17 apples, peaches, or grapes exclusively from such of the pro-  
18 visions of this act relating to the manufacture of spirits as in  
19 his judgment may seem expedient. And any word or words  
20 in any and all parts of this act, and of all acts to which this  
21 act is additional, indicating or referring to person or persons,  
22 shall be taken to include partnerships, firms, associations,  
23 bodies corporate or politic, or any other party whatsoever,  
24 when not otherwise designated, or manifestly incompatible  
25 with the intent thereof.

1       SEC. 39. *And be it further enacted,* That no spirits shall  
2 be removed in any cask or package containing more than ten  
3 gallons from any premises or building in which the same may  
4 have been distilled, redistilled, rectified or manufactured, nor  
5 from any place of storage, at any other times than after  
6 sun-rising and before sun-setting, on pain of forfeiture of such  
7 spirits, and every person who shall violate this provision shall  
8 be liable to a penalty of one hundred dollars for each cask,

9 barrel or package of spirits removed. Any officer of internal  
10 revenue may be specially authorized by the Commissioner of  
11 Internal Revenue to seize any property which may by law  
12 be subject to seizure, and for that purpose such officer shall  
13 have all the power conferred by law upon collectors of internal  
14 revenue, and such special authority shall be limited in respect  
15 of time, place, and kind or class of property as the said Com-  
16 missioner may specify.

1       SEC. 40. *And be it further enacted,* That it shall be  
2 lawful for any internal revenue officer to seize and detain any  
3 barrels, casks, or packages containing, or supposed to contain,  
4 distilled spirits when such officer has reason to believe the  
5 tax imposed by law upon the same has not been paid, or that  
6 they are being removed in violation of law, and such packages  
7 may be detained by such officer in a safe place until it can be  
8 satisfactorily ascertained by the proper officers whether the  
9 articles so seized are liable to be proceeded against for viola-  
10 tions of the internal revenue laws.

1       SEC. 41. *And be it further enacted,* That whenever any  
2 distilled spirits so found elsewhere than in a bonded ware-  
3 house, shall be sold, or offered for sale at a less price than the  
4 tax imposed by law thereon, such selling or offering for sale  
5 as aforesaid, shall be taken and deemed as prima facie evi-  
6 dence that said spirits have not been removed from a bonded  
7 warehouse according to law, and that the tax imposed by

8 law on the same has not been paid, and the same shall  
9 without further evidence be liable to seizure and forfeiture :  
10 *Provided*, That this section shall not apply to spirits sold at  
11 public sale by an auctioneer who has paid the special tax as  
12 such under such rules and regulations, and upon such public  
13 notice as may be prescribed by the Commissioner of Internal  
14 Revenue.

1       SEC. 42. *And be it further enacted*, That it shall be the  
2 duty of every person who empties or draws off, or causes to  
3 be emptied or drawn off, distilled spirits or other article sub-  
4 ject by law to tax, from a cask, barrel, or package, bearing  
5 any of the marks or brands required by law, or marks intended  
6 for or purporting to be, or designed to have the effect of such  
7 marks, immediately upon such cask, barrel, or package being  
8 emptied, to efface and obliterate said marks or brands; and  
9 any person who shall violate this provision shall be liable to  
10 a penalty of ten dollars for each offence; and any such cask,  
11 barrel, or package, from which said marks are not so effaced  
12 and obliterated as herein required, shall be liable to forfeiture,  
13 and may be seized by any officer of internal revenue wher-  
14 ever found.

1       SEC. 43. *And be it further enacted*, That in case any  
2 transportation bond is forfeited by failure to furnish or produce  
3 at the proper time the evidence required by law or regulation  
4 that the articles named in the bond were duly received and

5 actually stored in the warehouse or district to which they  
6 were shipped, or other breach of the obligation, the obligors  
7 in the bond shall pay the total amount of duties upon the  
8 articles removed under the bond, together with fifty per  
9 centum upon that amount, and the collector of the district in  
10 which such bond is or may be given may forthwith distrain  
11 upon any property, real or personal, subject to distraint or  
12 seizure, belonging to said obligors; and in case no such prop-  
13 erty can be found, the collector shall immediately forward  
14 the bond to the United States district attorney for the proper  
15 district for suit, and notice of the breach of the obligation of  
16 any such bond shall be forthwith forwarded by the collector  
17 of the district to the Commissioner of Internal Revenue.

1        *SEC. 44. And be it further enacted,* That if any per-  
2 son shall falsely represent himself to be a revenue officer of  
3 the United States, and shall in such assumed character de-  
4 mand or receive any money or other article of value from  
5 any person for any duty or tax due to the United States, or  
6 for any violation or pretended violation of any revenue law of  
7 the United States, such person shall be deemed guilty of a  
8 felony, and on conviction thereof shall be liable to a fine of  
9 five hundred dollars, and to imprisonment not less than six  
10 months and not exceeding two years, at the discretion of the  
11 court.

1        *SEC. 45. And be it further enacted,* That no distilled

2 spirits which have been forfeited to the government in  
3 accordance with law, shall be sold for a price less than the  
4 amount of the tax required thereon by law at the time of  
5 such sale. And if the officer having such spirits in charge  
6 shall have been unable, for a period of ninety days, to sell  
7 the same for the price equal to the tax, such spirits shall be  
8 destroyed, under such rules and regulations as the Commis-  
9 sioner of Internal Revenue may prescribe.

1       SEC. 46. *And be it further enacted,* That sections sixty  
2 and one hundred and fourteen of the act entitled “An act  
3 to provide internal revenue to support the government, to pay  
4 interest on the public debt, and for other purposes,” approved  
5 June thirty, eighteen hundred and sixty-four, and sections  
6 twenty-one, twenty-two, twenty-three, twenty-four, twenty-  
7 five, twenty-six, twenty-seven, twenty-eight, twenty-nine,  
8 thirty, thirty-one, thirty-two, thirty-three, thirty-four, thirty-  
9 five, thirty-eight, thirty-nine, forty, forty-one, forty-two,  
10 forty-three, forty-four, forty-five, and sixty-one of the act  
11 amendatory thereof, approved July thirteen, eighteen hundred  
12 and sixty-six, be and the same are hereby, repealed.